



News Release

Pat Quinn, Governor

Jay Rowell, Director

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Ending Emergency Unemployment Insurance Not Pushing People to Work

83 Percent Without Wages Two Months Later

Improving Unemployment Still Worse Than When Program Started

CHICAGO – Four of five Illinois workers were without wages two months after the close of a federal program designed to help the long-term unemployed until they found a new job, according to an analysis of wage data by the Illinois Department of Employment Security.

Critics of the Emergency Unemployment Compensation (EUC) program contend that unemployment insurance benefits discourage individuals from working and that ending the program would prompt individuals to accept offers of employment.

“This notion that temporary unemployment benefits provide people a reason not to return to work really needs to end because it is not supported by the data,” IDES Director Jay Rowell said. “Economic conditions should determine when this safety-net program ends, not an arbitrary date on the calendar.”

President George Bush and Congress enacted the EUC program in June 2008 to provide additional weeks of federally funded unemployment insurance after individuals collected all available state benefits. At the time, the national unemployment rate was 5.6 percent and the Illinois rate was 6.3 percent. Following a series of 11 extensions, Congress determined that EUC would end Dec. 28, 2013. When it did, the Illinois rate was 8.9 percent and the national rate was 6.7 percent.

When EUC ended, 74,000 Illinois workers immediately lost their benefits. One month later, 64,000 workers, or 86 percent, were without employment, according to wage records submitted to IDES by Illinois employers. February wage records were similar to January and showed 61,300 workers, or 82.7 percent, still without employment.

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Data broken down by education, age and Veteran status also is consistent in both months.

Of those younger than 25, 80.1 percent did not earn wages in January and 77.76 percent in February. Of those between the ages of 25 and 34, 84.4 percent did not earn wages in January and 81 percent in February. Of those 54 or older, 90.5 percent did not earn wages in January and 88.52 percent in February. Additionally, 88.2 percent of Veterans were without wages 30 days after emergency unemployment ended in January and 86.63 percent in February.

In January, 86.44 percent of those with a high school degree or less had not returned to work. In February, it was 83.72 percent. In January, 85 percent of those with some post-secondary education had not returned to work. In February, it was 81.68 percent.

The unemployment insurance program offers temporary support to workers who are out of work through no fault of their own. The average weekly benefit in Illinois is about \$320. The maximum weekly family payment is \$562. Emergency unemployment to the 74,000 individuals represents approximately \$23.7 million in purchasing power each week. The unemployment insurance program also supports local businesses because benefit dollars are spent at local grocers, gas stations and clothing stores. Economic analysis shows each \$1 in unemployment insurance generates \$1.63 in economic activity.

The U.S. Senate on April 7 voted 59-38 for a proposal that would restore federal unemployment benefits for 2.8 million American workers. House leaders have yet to schedule a vote.

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